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REPORT

**WASHINGTON ECONOMIC
DEVELOPMENT FOUNDATION, INC.
Bogalusa, Louisiana**

COMPILED FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/25/08

William R. Durden

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WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Bogalusa, Louisiana

Financial Statements
As of and for the Year Ended December 31, 2007

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WILLIAM R. DURDEN

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

To the Board of Washington
Economic Development Foundation, Inc.
Bogalusa, Louisiana

I have compiled the accompanying statement of financial position of Washington Economic Development Foundation, Inc. (a nonprofit corporation) as of December 31, 2007, and the related statements of activities and cash flows, for the year then ended, and the accompanying supplementary information contained in Schedule 1, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



William R Durden CPA, LLC

March 3, 2008

FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2007

ASSETS

Cash and Cash Equivalents	\$ 86,133
Accounts Receivable	98,212
Short-Term Investments	175,625
Short-Term C D, Restricted for road construction	30,000
Prepaid Insurance	2,906
Capital Assets (Net of Accumulated Depreciation)	87,503
Total Assets	<u>\$ 480,379</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 19,003
Payroll taxes payable	240
Rent deposit payable	400
Deferred Income-State Appropriations	45,078
Total Current Liabilities	<u>64,721</u>

NET ASSETS

Investment in capital assets	87,503
Restricted for Industrial Park road construction	30,000
Restricted for Symphony III	5,000
Unrestricted	293,155
Total Net Assets	<u>415,658</u>
Total Liabilities and Net Assets	<u>\$ 480,379</u>

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

PUBLIC SUPPORT AND REVENUES:

Membership dues	\$ 16,790
Business/economic development fee	34,200
Interest income	10,083
Rent income (net of \$2,581 depreciation expense)	4,919
State Appropriations	107,896
FAEDF Reimbursements	31,137
Other revenue	9,035
Total Support and Revenue	<u>214,060</u>

EXPENSES:

Program services:	
Economic development	61,885
Support services:	
General administrative	13,403
Fund raising	2,659
State appropriations	77,581
Total Expenses	<u>155,528</u>

CHANGE IN NET ASSETS 58,532

NET ASSETS AS OF BEGINNING OF YEAR 357,126

NET ASSETS AS OF END OF YEAR \$ 415,658

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2007

Cash flows from operating activities:

Cash received from members for dues	\$ 16,765
Cash received for economic development fee	17,100
Cash received from grants	-
Cash received from state appropriations	113,999
Cash received from FAEDF	28,007
Cash payments to suppliers for goods and services	(55,437)
Cash payments to employees and professional contractors for services	(76,072)
Other operating revenue	9,035

Net cash provided by operating activities	<u>53,397</u>
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Cash flows from capital and related financing activities:

Acquisition of capital assets	(8,330)
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Net cash used by capital financing activities	<u>(8,330)</u>
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Cash flows from investing activities:

Interest income	10,083
Rental receipts	
Rental deposits	-
Transfer (to)/from investments	(65,706)

Net cash provided by investing activities	<u>(55,623)</u>
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NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,556)
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CASH AND CASH EQUIVALENTS, JANUARY 1	<u>96,689</u>
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CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 86,133</u></u>
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See accountant's report and accompanying notes to financial statements

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2007

Reconciliation of Change in Net Assets to Net

Cash Provided by Operations:

Change in net assets	\$	58,532
Depreciation		6,511
Interest income		(10,083)
Rental income		(4,919)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(54,230)
(Increase) decrease in prepaid insurance		915
Increase (decrease) in accounts payable		16,353
Increase (decrease) in payroll taxes payable		240
Increase (decrease) in deferred income		40,078
Net cash provided by operations	\$	<u>53,397</u>

See accountant's report and accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Washington Economic Development Foundation, Inc. (the Foundation) was organized as a nonprofit corporation on May 6, 1981, under the laws of the State of Louisiana. The Foundation's purpose is to promote economic development in Washington Parish through an intensive program to relocate or establish manufacturing and service firms in the parish in order to create a significant number of new job opportunities. The Foundation's primary support is derived from a "cooperative endeavor agreement" with the City of Bogalusa (note 4), and dues paid by individuals and members of the business community.

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Public Support and Revenue

Annual membership dues are generally available for unrestricted use during the current year. Dues are recorded as revenue in the membership year pledged and any unpaid dues at year-end are recorded as receivables, at their net realizable value. There is no allowance for bad debts due to a history of having all dues paid on a current basis.

Grants are recorded as revenue when the corresponding reimbursable expenditures have been incurred.

Contributions of donated non-cash assets and services are recorded at their fair values in the period received.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under this basis, revenues and related assets are recognized when earned, and expenses are recognized when the obligation is incurred.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION

The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: (1)unrestricted, (2)temporarily restricted, and (3)permanently restricted. In addition, the Foundation is required to present a Statement of Cash Flows. As of December 31, 2007, the Foundation has not received any permanently restricted contributions. The Foundation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present the two classes of net assets contained in their financial records.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates that affect certain reported amounts and disclosures. Therefore; actual results could differ from those estimates.

Property and Equipment

The Foundation capitalizes all expenditures for equipment with a useful life in excess of one year regardless of value. Property and equipment are recorded at cost or at estimated fair value at date of gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	31.5 yrs
Improvements	10-30 yrs
Furniture & Fixtures	7-10 yrs
Office Equipment	4-5yrs

Cash and Cash Equivalents

The Foundation considers all highly liquid investments, with a maturity of three months or less, when purchased, to be cash equivalents.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments, are stated at fair value, and consist solely of Certificates of Deposit at local (Washington Parish) financial institutions. The Certificates have varying dates of maturity from 6 to 12 months

NOTE 2: CASH AND CASH EQUIVALENTS

At December 31, 2007, the Foundation has unrestricted cash and cash equivalents (book balances) totaling \$86,133 in demand deposits. Additional bank balances are certificates of deposit reported as investments. These certificates of deposits total \$205,625 giving the Foundation total funds deposited in banks of \$291,758.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2007, the Foundation's deposits (collected bank balances) totaled \$297,688. These deposits were secured from risk by \$91,062 of federal deposit insurance, and pledged securities in the amount of \$298,014. The pledged securities are registered in the name of the fiscal agent bank and are held by the Federal Reserve Bank of New Orleans, Louisiana. Because the pledged security is not registered in the District's name, the deposits are considered un-collateralized (category 3) under the provisions of GASB Statement Number 3.

NOTE 3: ACCOUNTS RECEIVABLE

At December 31, 2007, the Foundation's accounts receivable consisted of the following:

- | | |
|--|-----------|
| 1) Accounts Receivable-FAEDF (Franklinton Area Economic Development Foundation agreed to share in the cost of the director. This receivable represents one month's billing.) | \$ 5,086. |
| 2) Due from State of Louisiana-State Appropriations (See Note 8). This receivable represents total grant expenditures through June 2008. Deferred revenue for this receivable is \$36,267. | 75,000. |
| 3) Due from State of Louisiana-State Appropriations | 1,001. |

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2007

4) Due from City of Bogalusa	17,100.
5) Due from Members for 2007 dues	25.
Total Accounts Receivable	<u>\$98,212.</u>

NOTE 4: PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consist of the following:

	January 1 2007	Additions	Deletions	December 31, 2007
Buildings	\$ 58,500	\$ -	\$ -	\$ 58,500
Bldg. Improvements	45,656	8,330	-	53,986
Office Fixtures & Equip.	18,514	-	-	18,514
Other	11,222	-	-	11,222
Land	32,500	-	-	32,500
Subtotal	<u>166,392</u>	<u>8,330</u>	<u>-</u>	<u>174,722</u>
Less Accumulated Depreciation	<u>(80,708)</u>	<u>(6,511)</u>	<u>-</u>	<u>(87,219)</u>
Net Capital Assets	<u>\$ 85,684</u>	<u>\$ 1,819</u>	<u>\$ -</u>	<u>\$ 87,503</u>

All fixed assets are stated at historical cost. Depreciation is computed on a straight-line basis for financial statement purposes. Depreciation for 2007 was allocated - \$2,581 to rental and \$3,930 to general operations.

NOTE 5: DEFERRED INCOME

The Foundation received \$33,998 (total appropriation \$35,000) of state appropriations from the Louisiana State Treasury through Act 18 of the 2007 Legislative Session. The funds are reimbursement for certain budget expenditures for the period 7/1/2007-6/30/2008. Expenditures in 2007 subject to reimbursement totaled \$26,188. To properly match the total state appropriation with the expended funds, the difference of \$8,812 was recorded on the books at December 31, 2007 as deferred revenue. In addition to the state appropriation the Foundation entered into a "cooperative endeavor agreement" with the Louisiana State Treasurer in which the Foundation is to be reimbursed \$75,000 by the state treasurer for salary and related benefits paid in connection with economic development. Related expenditures expensed in 2007 were \$38,734. The total grant was recorded as a receivable at 12/31/2007 and the un-expended difference of \$36,266 was recorded as deferred revenue.

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2007

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Restricted for periods after December 31, 2001:	
Industrial Park Road construction	\$30,000.
Symphony III	5,000.

NOTE 7: BUSINESS/ECONOMIC DEVELOPMENT FEE

The Foundation entered into a "cooperative endeavor agreement" with the City of Bogalusa, under the Louisiana Constitution of 1974 Section 14©. The Foundation proposed to perform certain functions to the benefit of the City, its residents, and residents surrounding Bogalusa. These functions, which have a governmental purpose, would ordinarily be performed by the City. They include:

- A. Business/Economic Development
- B. Assisting the City in administering the Bogalusa Industrial Park
- C. Advising the City on uses of the Industrial Park
- D. Arranging for presentations and meetings with Industrial Park Prospects and advising the City on said prospects.

The City and Foundation mutually agreed to reduce the fee from \$38,000 to \$34,200 in 2004. The contract became effective on January 1, 1997. It automatically renews each year unless a notice of termination is presented by either party 10 days prior to the beginning of each calendar year. No notice was received or given by the Foundation for 2008.

NOTE 8: STATE APPROPRIATIONS

The Foundation and the Louisiana State Treasurer entered into a "cooperative endeavor agreement" on July 19, 2007, under Act 18, of the 2007 Legislative Session. The agreement covers two different amounts one for \$75,000 (Salaries, and related benefits), and the other for \$35,000 (office maintenance, dues, postage, office supplies, accounting services, and repairs). The Foundation has submitted reports for the third and fourth quarters of 2007 for total reimbursements of \$64,921. Receipts in 2007 for these cooperative endeavors totaled \$33,998. The total amount of the grants, less 2007 receipts from the state treasurer, was set up as a receivable at 12/31/2007 (\$110,000-\$33,998=\$76,002). The Foundation will submit quarterly or semi-annual reports for the first and second quarters of 2008 for reimbursement of expenses incurred, and record the amount as income (\$45,079).

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Financial Statements
December 31, 2007

NOTE 9: INTERGOVERNMENTAL AGREEMENT

The Washington Economic Development Foundation, Inc (WEDF) entered into a cooperative endeavor with the Franklinton Area Economic Development Foundation, Inc, (FAEDF) to share the expenses of the Director. The current Director for WEDF will work at the FAEDF office two days per week or as needed. WEDF will invoice FAEDF monthly, for one half of the director's salary and benefits effective November 1, 2004. The reimbursement for December 2007 was set up as a receivable at 12/31/2007 and included in revenues for 2007. The estimated annual cost reimbursement will be approximately \$20,000.

NOTE 10: OTHER ACTIVITY

On December 19, 2007 the Foundation agreed to handle the accounting and act as the depository for the "Washington Parish Rural Family Medicine Residency Program". This group of volunteers agreed to raise money to help defray relocation cost for Louisiana State University medical students transferring to the LSU hospital in Bogalusa. These funds will act as an additional incentive to recruit doctors to the Bogalusa area. The Foundation will receive all donated funds and disburse funds according to the direction of the above referenced committee. The Foundation has the responsibility of safekeeping the funds and disbursing them according to the direction of the committee. The funds are not controlled by the Foundation and thus are not recorded as an asset of the Foundation. Current balance of funds deposited in Capital One Bank total \$8,327.

NOTE 10: DONATED SERVICES

The Foundation receives donated services from a variety of unpaid volunteers assisting the Foundation in the pursuit of economic development programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SAFS No. 116 have not been satisfied.

NOTE 11: LITIGATION AND CLAIMS

As of December 31, 2007, the Foundation did not have any lawsuit or pending litigation.

NOTE 12: LEASES

The Foundation does not have any items under a capital or operating lease at December 31, 2007.

SUPPLEMENTAL INFORMATION

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended December 31, 2007

Item of Expense	Program Service	Support Services		State Appro.	Symphony Concert	Total Expenses
	Industrial Dev.	General Adm.	Fund Raising			
Salaries and payroll taxes	\$ 30,945	\$ 6,116	\$ 2,190	\$ 37,061	\$ -	\$ 76,312
Employee benefits	306	123	82	6,728		7,239
Depreciation	1,867	1,867	-	196		3,930
Utilities	24	24	-	3,500		3,548
Office expense	808	807	-	916		2,531
Advertising	18,508			14,000		32,508
Auto expense	2,819	730	-	-		3,549
Annual meeting	917	357	-	-		1,274
Dues & subscriptions	1,350	337	-	1,329		3,016
Miscellaneous expense	662	1,285	-	-		1,947
Legal and professional	-	450	-	2,400		2,850
Insurance	776	776	387	3,184		5,123
Travel and entertainment	2,223	-	-	-		2,223
Telephone	206	51	-	5,291		5,548
Repairs	474	475	-	2,976		3,925
Taxes & License	-	5	-	-		5
Totals	\$ 61,885	\$ 13,403	\$ 2,659	\$ 77,581	\$ -	\$ 155,528

See accountant's report

WASHINGTON ECONOMIC DEVELOPMENT FOUNDATION, INC

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the year ended December 31, 2007

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The Foundation's Executive Board, consist of four members, elected from the general membership each year at the annual meeting.

Board members were not paid any compensation for the year ended December 31, 2007, and no compensation is planned for future years.

See accountant's report